

NEW YORK TIMES

Foreign Companies Aided Anti-Allende

Strikers, Chileans Say

By JONATHAN KANDELL

Special to The New York Times

SANTIAGO, Chile — The widespread strikes that set the stage for the military coup that overthrew the late President Salvador Allende Gossens were partly financed by funds provided by companies based in Mexico, Venezuela and Peru, according to leading Chilean businessmen.

The businessmen, ranking members of the SOFOFA, the most important industrial association in Chile, said that they had personally channeled these funds—amounting to \$200,000—to striking truck owners, shopkeepers and professional groups in the weeks preceding the fall of the Allende Government on Sept. 11, 1973.

They said that a company called Protexa, based in Monterrey, Mexico, contributed \$100,000 to the anti-Allende campaign and Grupo Mendoza of Caracas, Venezuela, \$50,000.

Money From the C.I.A.

The businessmen said that a Peruvian concern, which they declined to identify, gave close to \$50,000 to help finance the Chilean strikes.

It was disclosed in September that the United States Central Intelligence Agency had secretly financed unions and trade groups for more than 18 months before President Allende was overthrown. More than half of the \$8-million authorized for clandestine C.I.A. activities in Chile was used to provide benefits for anti-Allende strikers in 1972 and 1973, according to United States intelligence sources.

How the funds were channeled to Allende opponents was not disclosed. The Chilean business sources did not link the money they received to the C.I.A.

"I would have no way of knowing whether those funds were indirectly from the C.I.A. or whether those companies were merely sympathetic to the cause as they claimed they were," said one businessman.

"We did not ask any questions," he added. "We had a very tough time collecting funds both here and abroad because people were giving up hope that things could change in Chile."

00670

"All these stories that money was pouring into Chile to fight Allende," said another businessman. "They were just not true. It was not that easy."

The Europeans Defaulted

The sources described a half-dozen fruitless fund-raising trips through Latin America, Europe and the United States.

"Most of the time, we were promised money and it never came," said a former SOFOFA member. "The Europeans especially made fools of us."

The sources said that the money from the Mexican, Venezuelan and Peruvian companies suddenly started to arrive during the first half of 1973 in time to help finance the anti-Allende strikes that began in July of that year.

Protexa, the Mexico-based concern, was founded in 1945 as a small manufacturer of waterproofing material for roofing. It has grown rapidly, and now owns at least eight Mexican companies, and has eight affiliates abroad, including Asfaltos Chilenos Protexa, with offices in Santiago.

According to business sources, Protexa was not expropriated or seized by workers during the Allende years when hundreds of foreign and Chilean companies came under government control.

The Grupo Mendoza, one of the largest Venezuelan business groups, is involved in machinery imports, cement and paper production and other activities. Chilean sources said they did not know of any affiliate here of the concern.

SOFOFA officials said the money was distributed to strikers weekly in July, August and September of 1973. The dollars were converted on the black market at up to 500 per cent the official exchange rate.

"We were giving the truckers about \$2,000 a week," said one businessman, adding that he believed the truck owners also received support from other financial sources. León Vilarín, president of the Truck Owners Association, has been traveling in Europe. Previously he has asserted that the truckers depended on their own financial resources during the strike. Other ranking members of the Truck Owners Association could not be reached for comment.

Firm Foes of Allende

The truck owners — about 40,000 controlling some 70,000 vehicles—were the staunchest opponents of the Allende Government during its waning months. Their 50-day strike crippled this country's economy, which depends far more heavily on trucks than on the state-owned railways for the movement of goods.

The truck owners' hostility was due to the Marxist coalition Government's efforts to create a parallel, state-owned trucking group. Mr. Vilarín, a former Socialist party member, liked to surprise critics by pointing out that he was once an Allende supporter. Even after the coup, he kept a large photograph in his office showing the late President embracing him.

The opposition to Dr. Allende was broadly divided into those who sought a military coup with an end to civilian politics and those who wanted to temper the President's socialist policies and defeat his coalition through elections in 1976.

The C.I.A. helped finance both groups even when they were in bitter disagreement with each other. Although defenders of C.I.A. intervention in Chile, including President Ford, have asserted that the goal of the agency was to maintain democratic political parties and other institutions, its rule of thumb apparently was to throw its weight behind the strongest source of opposition to the Allende Government.

At times, this meant supporting strikers intent on overthrowing the Government and at other times it meant heavy financial contributions to anti-Allende candidates when legislative elections were considered the best method of overturning Dr. Allende.

Some Were Annoyed

In interviews, left-wing members of the Christian Democratic party, which received heavy financial support from the C.I.A., recalled with annoyance the agency's support of a 26-day work stoppage by truck owners, professionals and businessmen that failed to overthrow Dr. Allende in October, 1972.

At that time, a left-wing member, René Fuentealba, was the party's secretary general. He called a party meeting with

truckers and other strikers to moderate their demands.

"We asked Vilarín who was funding the strike" said a ranking Christian Democrat who participated in the meeting. "All he said was that he wanted to bring down Allende. We told him that we were willing to back the strikers' legitimate economic grievances, but that we would not go along with a coup."

The October, 1972, strike ended when Dr. Allende, backed by moderate Christian Democrats, persuaded military leaders to join his Cabinet. Allende opponents thought the military officers would put a brake on the Government's socialist program while both sides geared up for the March, 1973, legislative elections.

The C.I.A. contributed \$1.5 million to opposition candidates who banked heavily on gaining a two-thirds legislative majority that would have enabled them to remove Dr. Allende by impeachment.

Although the opposition parties maintained solid majorities in Congress, the Marxist coalition received a surprising 43.4 per cent of the popular vote, compared with 36 per cent received when Dr. Allende was voted into office in 1970, and picked up two Senate seats and six seats in the Chamber of Deputies.

According to informed sources, the C.I.A., which had correctly predicted an Allende victory in 1970, underestimated Allende support in the 1973 legislative elections, predicting less than a 40 per cent vote for the Marxist coalition.

The disclosure of C.I.A. aid to anti-Allende groups has caused relatively little impact in Chile. Few Chileans, even leftists, believe that the C.I.A. itself could have provoked the coup or accounted for the widespread discontent with the Allende Government.

Most Chileans assumed all along that the agency was involved in the country's politics along with intelligence groups from Communist countries.

"As long as we were in a political situation, we would have taken money from the C.I.A., the Russians or anybody," said Gabriel Cereceda, a leading fund raiser for the PIR, a small party away from the government.

"I didn't because it was

NEW YORK TIMES

El Mercurio, the leading anti-Allende newspaper, which is reported to have received financial backing from the C.I.A., has published news of the disclosure in detail.

'Such Incredible Cheapness'

In editorials, the newspaper has asserted that the disclosure "undoubtedly has Communist inspiration, which blows through the minds of liberals in the country to the north."

The newspaper added that, if anything, the C.I.A. was "miserly." "Spending \$10 million for the fall of Allende," stated a recent Mercurio editorial, "have you ever seen such incredible cheapness?"

Among Christian Democrats, the main concern over the disclosures appears to be the effect they might have in reducing financial contributions to the party from Christian Democratic sources in West Germany.

Spokesmen for the military junta have responded to the charges of C.I.A. interference by suggesting that the issue is basically an internal United States matter. The junta, which has strongly rejected a return to civilian politics, has also sought to dismiss the charges as evidence of the corruptness

of the political party system before the coup.

"Nobody has suggested that C.I.A. bought off military officers," said Federico Willoughby, a ranking Government official. "As far as we are concerned, this was all a symptom of the political decomposition in the country before the military junta took power."

Mexicans Deny Involvement

Special to The New York Times

MEXICO CITY, Oct. 15—Al-

Fredo Molina, executive vice president of Protexa, said yesterday that it was "absolutely false" that the company helped finance the anti-Allende strikes.

"At no moment did we have any contact with the strike movement," he said in a telephone interview from his office in Monterrey. "Nor were we ever asked. We had a policy of not interfering in Chilean politics in any way."

Mr. Molina said that Protexa's Chilean affiliate was

"symbolically" taken over by the "Marxist union" about six months before the coup but that "in practice we continued to administer the factory and after the coup everything continued quite normally."

Special to The New York Times

CARACAS, Venezuela, Oct. 15 — A spokesman for Grupo Menéndez today denied "emphatically" making any contribution to the campaign to overthrow President Allende.

00671